

**FILED**

Date \_\_\_\_\_

Time \_\_\_\_\_

Clerk \_\_\_\_\_

Comm. Amdt. \_\_\_\_\_

**Amendment No. 18 to SB3147**

**Haun**

**Signature of Sponsor**

**AMEND Senate Bill No. 3147\***

**House Bill No. 3259**

By deleting all amendments in their entirety and by substituting instead the following:

WHEREAS, Tennessee municipalities and counties are experiencing considerable growth in population and need for services and public facilities; and

WHEREAS, the present revenue-raising authority of municipalities and counties is limited and utilizing such measures would impose the costs of new growth on existing residents rather than on new residents and businesses creating the demand for the additional expenditures; and

WHEREAS, local governments are committed to both present and future residents to maintaining a level of public facilities and services commensurate with those presently provided; now, therefore, BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 67, Chapter 4, is amended by adding the following appropriately designated section:

Section\_\_\_\_This Act shall be known as the Adequate Facilities Tax Act.

- (a) For purposes of this section, unless the context otherwise requires:
- (1) "Adequate facilities tax" means any privilege tax that is levied by a county or municipality on engaging in the act of development.
  - (2) "Building Permit" means a permit for development issued in a municipality or county.
  - (3) "Development" means the construction, building, erection, or improvement to land providing a building or structure or the addition to any building or structure, or any part thereof, which provides, adds to, or increases, the floor area of a residential or commercial use.
- (b) Notwithstanding any provision of law to the contrary, engaging in the act of new development within a municipality or county is declared to be a privilege upon which a municipality or county may, by resolution of the governing body, levy an adequate facilities tax.
- (c) The governing body of any municipality or county adopting an adequate facilities under this act shall, by resolution, adopt administrative guidelines, procedures, regulations and forms necessary to properly implement, administer and enforce the provisions of this act.

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- (d) For the exercise of the privilege described herein, a municipality or county legislative body may provide for an adequate facilities tax on any structure for which a building permit is obtained. All tax funds collected shall be used for the purpose of improving the municipality's or county's infrastructure including but not limited to schools, roads, recreation, water and wastewater facilities. The tax shall be based upon either the cost of the building permit or upon the square footage of the structure for which the building permit was obtained. Said tax shall be collected at the issuance of the building permit for the structure being taxed. The tax shall be imposed only after the county or municipal legislative body has held a public hearing thereon and passed the tax by a two-thirds (2/3) vote on two (2) consecutive meetings. Any adequate facility tax enacted by a county or municipality prior to July 1, 2000, shall be deemed a valid tax and shall not be affected by these provisions unless said existing tax is amended in which case the county or municipal legislative body shall follow these provisions in amending the tax.
- (e) If the tax authorized under this act is enacted by the legislative body of a municipality, the county in which the municipality is situated, in whole or in part, may not levy such tax on development within the municipality.
- (f) The authority to impose this privilege tax on new development is in addition to all other authority to impose taxes, fees, assessments, or other revenue-raising or land development regulatory measures granted either by the private or public acts of the State of Tennessee and the imposition of such tax, in addition to any other authorized tax, fee, assessment or charge, shall not be deemed to constitute double taxation.

**SECTION 2.** This act shall take effect July 1, 2000, the public welfare requiring it.